

A bill for an act

relating to alcohol; clarifying that public facilities may allow noncommercial alcohol use without licenses; modifying the requirements for certain on-sale liquor sales at the University of Minnesota; repealing certain restrictions relating to direct wine shipments; allowing the sale of alcohol control devices and multiple use bags at exclusive liquor stores; authorizing certain on-sale intoxicating liquor licenses; amending Minnesota Statutes 2008, sections 340A.101, by adding a subdivision; 340A.401; 340A.404, subdivisions 1, 4a; 340A.412, subdivision 14; 340A.414, subdivision 1; 340A.417; proposing coding for new law in Minnesota Statutes, chapter 340A.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2008, section 340A.101, is amended by adding a subdivision to read:

Subd. 31. **Public facility.** "Public facility" is a park, community center, or other accommodation or facility owned or managed by or on behalf of a subdivision of the state, including any county, city, town, township, or independent district of the state.

Sec. 2. Minnesota Statutes 2008, section 340A.401, is amended to read:

340A.401 LICENSE REQUIRED.

Except as provided in this chapter, no person may directly or indirectly, on any pretense or by any device, sell, barter, keep for sale, charge for possession, or otherwise dispose of alcoholic beverages as part of a commercial transaction without having obtained the required license or permit. Rental of or permission to use a public facility is not a commercial transaction for the purposes of this chapter.

Sec. 3. Minnesota Statutes 2008, section 340A.404, subdivision 1, is amended to read:

Subdivision 1. **Cities.** (a) A city may issue an on-sale intoxicating liquor license to the following establishments located within its jurisdiction:

(1) hotels;

(2) restaurants;

(3) bowling centers;

(4) clubs or congressionally chartered veterans organizations with the approval of the commissioner, provided that the organization has been in existence for at least three years and liquor sales will only be to members and bona fide guests;

(5) sports facilities located on land owned by the Metropolitan Sports Commission; and

(6) exclusive liquor stores.

(b) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license to a theater within the city, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending events at the theater.

(c) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license to a convention center within the city, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending events at the convention center.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 4. Minnesota Statutes 2008, section 340A.404, subdivision 4a, is amended to read:

Subd. 4a. **State-owned recreation; entertainment facilities.** Notwithstanding any other law, local ordinance, or charter provision, the commissioner may issue on-sale intoxicating liquor licenses:

(1) to the state agency administratively responsible for, or to an entity holding a concession or facility management contract with such agency for beverage sales at, the premises of any Giants Ridge Recreation Area building or recreational improvement area owned by the state in the town of White, St. Louis County;

(2) to the state agency administratively responsible for, or to an entity holding a concession or facility management contract with such agency for beverage sales at, the premises of any Ironworld Discovery Center building or facility owned by the state at Chisholm; ~~and~~

(3) to the Board of Regents of the University of Minnesota for events at Northrop Auditorium, the intercollegiate football stadium, or at no more than seven other locations within the boundaries of the University of Minnesota, provided that the Board of Regents

has approved an application for a license for the specified location and provided that the application for a stadium or arena location allows for the legal sale of intoxicating liquor throughout the stadium or arena and does not limit the sale of intoxicating liquor to premium seating areas or suites; and

(4) to the Duluth Entertainment and Convention Center Authority for beverage sales on the premises of the DECC Arena during intercollegiate hockey games.

The commissioner shall charge a fee for licenses issued under this subdivision in an amount comparable to the fee for comparable licenses issued in surrounding cities.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to applications for an on-sale liquor license made after December 1, 2008.

Sec. 5. Minnesota Statutes 2008, section 340A.412, subdivision 14, is amended to read:

Subd. 14. **Exclusive liquor stores.** (a) Except as otherwise provided in this subdivision, an exclusive liquor store may sell only the following items:

- (1) alcoholic beverages;
- (2) tobacco products;
- (3) ice;
- (4) beverages, either liquid or powder, specifically designated for mixing with intoxicating liquor;
- (5) soft drinks;
- (6) liqueur-filled candies;
- (7) food products that contain more than one-half of one percent alcohol by volume;
- (8) cork extraction devices;
- (9) books and videos on the use of alcoholic beverages;
- (10) magazines and other publications published primarily for information and education on alcoholic beverages;
- (11) devices designed to ensure safe storage and monitoring of alcohol in the home, to prevent access by underage drinkers;
- (12) multiple use bags designed to carry purchased items; and
- ~~(11)~~ (13) home brewing equipment.

(b) An exclusive liquor store that has an on-sale, or combination on-sale and off-sale license may sell food for on-premise consumption when authorized by the municipality issuing the license.

(c) An exclusive liquor store may offer live or recorded entertainment.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 6. Minnesota Statutes 2008, section 340A.414, subdivision 1, is amended to read:

Subdivision 1. **Permit required.** No business establishment or club which does not hold an on-sale intoxicating liquor license may directly or indirectly allow the consumption and display of alcoholic beverages or knowingly serve any liquid for the purpose of mixing with intoxicating liquor without first having obtained a permit from the commissioner. Rental of a public facility does not make a subdivision nor the facility a "business establishment" for the purposes of this chapter.

Sec. 7. Minnesota Statutes 2008, section 340A.417, is amended to read:

340A.417 SHIPMENTS INTO MINNESOTA.

(a) Notwithstanding section 297G.07, subdivision 2, or any provision of this chapter, a winery licensed in a state other than Minnesota, or a winery located in Minnesota, may ship, for personal use and not for resale, not more than two cases of wine, containing a maximum of nine liters per case, in any calendar year to any resident of Minnesota age 21 or over. Delivery of a shipment under this section may not be deemed a sale in this state.

(b) The shipping container of any wine sent under this section must be clearly marked "Alcoholic Beverages: adult signature (over 21 years of age) required."

~~(c) No person may (1) advertise shipments authorized under this section, (2) by advertisement or otherwise, solicit shipments authorized by this section, or (3) accept orders for shipments authorized by this section by use of the Internet. No shipper located outside Minnesota may advertise interstate reciprocal wine shipments in Minnesota.~~

~~(d)~~ It is not the intent of this section to impair the distribution of wine through distributors or importing distributors, but only to permit shipments of wine for personal use.

~~(e)~~ (d) No criminal penalty may be imposed on a person for a violation of this section other than a violation described in paragraph ~~(f)~~ (e) or ~~(g)~~ (f). Whenever it appears to the commissioner that any person has engaged in any act or practice constituting a violation of this section, and the violation is not within two years of any previous violation of this section, the commissioner shall issue and cause to be served upon the person an order requiring the person to cease and desist from violating this section. The order must give reasonable notice of the rights of the person to request a hearing and must state the reason for the entry of the order. Unless otherwise agreed between the parties, a hearing shall be held not later than seven days after the request for the hearing is received by the commissioner after which and within 20 days after the receipt of the administrative law judge's report and subsequent exceptions and argument, the commissioner shall issue an order vacating the cease and desist order, modifying it, or making it permanent as the facts

require. If no hearing is requested within 30 days of the service of the order, the order becomes final and remains in effect until modified or vacated by the commissioner. All hearings shall be conducted in accordance with the provisions of chapter 14. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person shall be deemed in default, and the proceeding may be determined against the person upon consideration of the cease and desist order, the allegations of which may be deemed to be true.

~~(f)~~ (e) Any person who violates this section within two years of a violation for which a cease and desist order was issued under paragraph ~~(e)~~ (d), is guilty of a misdemeanor.

~~(g)~~ (f) Any person who commits a third or subsequent violation of this section, ~~including a violation for which a cease and desist order was issued under paragraph (e),~~ within any subsequent two-year period is guilty of a gross misdemeanor.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 8. **[340A.5041] AIRPORT COMMISSION; EXTENDED HOURS.**

Notwithstanding any law, rule, or ordinance to the contrary, the Metropolitan Airports Commission may allow extended hours of sale at on-sale locations within the security areas of the Lindbergh and Humphrey Terminals. Extended hours are allowed for sales during the hours between 6:00 a.m. and 2:00 a.m. Monday through Sunday.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 9. **AUGSBURG COLLEGE; ON-SALE LICENSE.**

Notwithstanding any other law, local ordinance, or charter provision, the city of Minneapolis may issue an on-sale intoxicating liquor license to Augsburg College, or to an entity holding a caterer's permit and a contract with Augsburg College for catering on the premises of Augsburg College campus, or for any portion of the premises as described in the approved license application. The license authorized by this subdivision may be issued for space that is not compact and contiguous, provided that all such space is within the boundaries of Augsburg College campus and is included in the description of the licensed premises on the approved license application. The license authorizes sales on all days of the week to persons attending events at the college. All other provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the license authorized under this section.

EFFECTIVE DATE. This section is effective upon approval by the Minneapolis City Council in the manner provided by Minnesota Statutes, section 645.021, notwithstanding Minnesota Statutes, section 645.023, subdivision 1, paragraph (a).

Sec. 10. **GRAND MARAIS; ON-SALE.**

Notwithstanding any law, local ordinance, or charter provision to the contrary, the city of Grand Marais may issue an on-sale intoxicating liquor license, or an on-sale wine license and an on-sale malt liquor license, to Holland Motel, Inc. d/b/a the Best Western Superior Inn and Suites located at 104 First Avenue East, Grand Marais, and an additional on-sale intoxicating liquor license, or on-sale wine and on-sale malt liquor license to East Bay Hospitality, LLC, d/b/a East Bay Suites located at 21 Wisconsin Street, Grand Marais. The license may authorize sales only to persons who are registered guests at the lodging establishment, their invitees, or persons attending a conference, meeting, or other event at the lodging establishment. The license may authorize sales on all days of the week.